UNITED NATIONS DEVELOPMENT PROGRAMME

UNDP

Distributed on request

DP/PROJECTS/2788
(NIR/68/021)
1 February 1980

ENGLISH ONLY

APPROVAL OF LARGE-SCALE UNDP ASSISTANCE TO A PROJECT OF THE GOVERNMENT OF NIGERIA

Project title and number:	Agricultural Economic Planning Western State (Supplementary Assistance) (NIR/68/021)
Executing Agency:	Food and Agriculture Organization of the United Nations (FAO)
Government co-operating agency:	Ministries of Agriculture and Natural Resources of Oyo, Ondo and Ogun States
Date of approval:	February 1978
Estimated starting date for project operations:	1/
Duration:	2/
Estimated value of the Government's additional input expressed in US dollars:	$1 200 000 (In cash: $70 000) (In kind: $1 130 000)
Estimated UNDP additional contribution:	$280 800
Source of UNDP financing:	Indicative Planning Figure (IPF)

I. Background

1. Joint UNDP/United States Agency for International Development assistance for the establishment of an Agricultural Planning Division in the former Western State Ministry of Agriculture and Natural Resources began in 1968. The services of six experts were provided, three by each agency, and the Division was established with activities grouped into the four areas of project analysis, farm management, marketing and statistics. By the end of 1971 the Nigerian staff had increased from five to ten on duty and six were overseas for further training. During this phase of the project a major activity was the appraisal of project proposals and the building up of a more systematic information base through field surveys.

1/ Project operations started in May 1968 under small-scale assistance.

2/ The project duration, previously nine years and eight months, is now extended by one year.

2. In 1972 the project entered a second phase with two UNDP/FAO experts assisting in strengthening the Planning Division in the major fields of project analysis and statistics. The institution building aspect of the project was quite successful and by mid-1975 the Western State was equipped with a strong Agricultural Planning Division. During the last part of this phase of the project, programme performance budgeting was introduced.

3. In 1975, another extension of the project and revised workplan were approved providing for the extensions of the team leader and the agricultural statistician by 30 and 24 months respectively adding the post of management accountant for 24 months and 40 man-months of fellowships.

4. In 1976, the Western State was divided into the three separate States of Oyo, Ogun and Ondo. The partition of the former Western State offset to a considerable degree much of the progress already attained under this project since the counterpart staff were dispersed amongst the new States.

5. The Government became concerned about this situation and the tripartite review meeting held in 1977 strongly recommended extension of the project for one additional year.

II. The project

6. The development objective of the project has been to ensure effective and efficient implementation of state development plans in order to increase the quantity and quality of outputs from the agricultural sector of the economy. The immediate objectives have been to:establish sound criteria for allocating limited budgetary resources; decentralize the processes of budgeting and budget implementation; establish systems for budget monitoring; evolve performance indicators for efficiency auditing of agricultural development projects; establish systems of data collection, processing, storage and revision of state development plans; and develop policies for pricing and marketing of farm produce and farm inputs to provide economic incentives to farmers.

7. The objectives of the supplementary assistance are to: (a) strengthen the implementation of the project's immediate objectives in the three States (Oyo, Ogun, and Ondo) into which the former Western State has been divided; and (b) expand the scope of project's activities to cover personal management as it relates to the installation of the programme and performance budgeting system as a tool for implementing development plans.

8. UNDP is providing experts, fellowships and equipment. The Government is providing counterpart staff, accommodation, equipment and support services.

9. The expenditure components of the UNDP contribution are as follows:

	Previously approved		Present approval		Total approved	
	m/m	$	m/m	$	m/m	$
Experts and support personnel	246.1	687 000	29.0	183 700	275.1	870 700
Training		78 600		80 100		158 700
Equipment		700		8 000		8 700
Miscellaneous		5 600		9 000		14 600
		771 900		280 800		1 052 700